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SUBJECT: SENATE HEARING STATEMENT ON ROC NUCLEAR PROGRAM BY ASSISTANT SECRETARY HUMMEL

FOLLOWING IS THE TEXT OF ASSISTANT SECRETARY HUMMEL'S SEPTEMBER 22ND TESTIMONY ON THE ROC NUCLEAR PROGRAM PRESENTED AT SENATE FOREIGN RELATIONS COMMITTEE HEARINGS:

BEGIN TEXT:

1. MR. CHAIRMAN, IT IS MY HONOR TO APPEAR BEFORE THIS DISTINGUISHED COMMITTEE AND TO TESTIFY CONCERNING OUR POLICIES IN THE NUCLEAR FIELD WITH RESPECT TO TAIWAN.

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2. THE ADMINISTRATION IS DEEPLY COMMITTED TO PREVENTING THE FURTHER PROLIFERATION OF NUCLEAR WEAPONS. IN RECENT YEARS, GREAT EFFORT HAS BEEN DEVOTED TO RESTRICTING THE SPREAD OF NATIONAL URANIUM ENRICHMENT AND SPENT FUEL REPROCESSING FACILITIES. I BELIEVE WE HAVE MADE SIGNIFICANT PROGRESS IN THESE AREAS; WE ARE DETERMINED TO DO MORE.

ADMINISTRATION POLICY

3. OUR NUCLEAR POLICIES WITH RESPECT TO THE REPUBLIC OF CHINA COMBINE COOPERATION IN THE PEACEFUL USES OF NUCLEAR ENERGY WITH DETERMINED VIGILANCE AGAINST THE POSSIBILITY OF POTENTIAL NUCLEAR PROLIFERATION. THE MAIN ELEMENTS OF OUR POLICY ARE:

--TO COOPERATE WITH THE ROC'S PLANS TO MEET A GROWING PORTION OF ITS ELECTRIC POWER NEEDS FROM NUCLEAR REACTORS.

--TO COOPERATE IN THOSE AREAS OF PEACEFUL NUCLEAR RESEARCH AND TRAINING FOR WHICH THE ROC HAS A LEGITIMATE NEED.

--TO ENSURE THAT THE ROC ABIDES BY ITS POLICY NOT TO DEVELOP NUCLEAR WEAPONS.

--TO ENSURE THAT THE ROC DOES NOT OBTAIN A NATIONAL REPROCESSING OR ENRICHMENT CAPABILITY.

4. IN MANY RESPECTS, THE ISSUES WE CONFRONT AND THE POLICIES WE ARE PURSUING IN THE NUCLEAR FIELD WITH THE ROC ARE SIMILAR TO THOSE WE FACE IN OTHER AREAS OF THE WORLD. HOWEVER, OUR NUCLEAR RELATIONS WITH TAIWAN ARE UNIQUE IN OTHER RESPECTS. FIRST, WE ARE, IN A PRACTICAL SENSE, TAIWAN'S ONLY SOURCE OF REACTORS AND ENRICHED URANIUM FUEL FOR ITS NUCLEAR POWER PROGRAM. THIS REDUCES THE PROBLEMS OF COORDINATION WITH OTHER SUPPLIERS AND INCREASES TAIWAN'S DEPENDENCE ON A COOPERATIVE US ATTITUDE IN ORDER TO MAINTAIN ITS NUCLEAR POWER PROGRAM. SECOND, OUR NUCLEAR POLICIES IN

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THE ROC MUST BE DETERMINED WITHIN THE CONTEXT OF OUR OVERALL CHINA POLICY. THEY MUST BE COMPATIBLE WITH OUR COMMITMENT TO NORMALIZE OUR RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA AND WITH OUR INTEREST IN ENCOURAGING A PEACEFUL SOLUTION OF THE TAIWAN PROBLEM. FOR THESE REASONS, OUR NUCLEAR POLICIES WITH RESPECT TO TAIWAN ARE FORMULATED WITH GREAT CARE AND CIRCUMSPECTION.

TAIWAN'S NUCLEAR PROGRAM

5. SINCE THE LATE 1960'S, THE REPUBLIC OF CHINA HAS BEEN PLANNING TO MEET AN INCREAING PORTION OF ITS ENERGY REQUIREMENTS FROM NUCLEAR POWER. THE ROC HAS INDUSTRIALIZED RAPIDLY OVER THE PAST DECADE AND EXPECTS THIS TREND TO CONTINUE. ITS ENERGY NEEDS HAVE GROWN PROPORTIONATELY. DOMESTIC ENERGY SOURCES, LARGELY HYDRO-ELECTRIC, MEET ONLY A FRACTION OF TAIWAN'S NEEDS. AS THE ROC'S EFFORTS TO DEVELOP OFFSHORE OIL HAVE YET TO BEAR FRUIT, THE ROC EXPECTS TO REMAIN TOTALLY DEPENDENT FOR THE FORESEEABLE FUTURE ON IMPORTS FOR ITS GROWING FOSSIL FUEL NEEDS. CONSEQUENTLY, THE ROC IS CONVINCED THAT DIVERSIFICATION INTO NUCLEAR POWER IS ESSENTIAL TO ITS CONTINUED ECONOMIC GROWTH; THE ENERGY CRISIS IN 1973 REINFORCED THEIR BELIEF IN THE CORRECTNESS OF THIS DECISION.

6. THERE ARE PRESENTLY FOUR NUCLEAR GENERATING UNITS UNDER CONSTRUCTION ON TAIWAN; TWO OTHERS ARE IN THE PLANNING STAGE. THE FIRST NUCLEAR GENERATING UNIT IS SCHEDULED TO BEGIN OPERATION NEXT YEAR. THESE FOUR GENERATING UNITS WILL PROVIDE APPROXIMATELY A THIRD OF TOTAL PROJECTED ELECTRIC GENERATING CAPACITY WHEN THEY BECOME OPERATIONAL. WHEN ALL SIX ARE COMPLETED IN THE MID-1980'S, NUCLEAR POWER WILL PROVIDE 45 PERCENT OF THE ISLAND'S ELECTRIC GENERATING CAPACITY. THE ROC IS AWARE THAT THIS PROGRAM IS CRUCIAL TO ITS CONTINUED ECONOMIC VITALITY. MOREOVER, IT WILL BE INVESTING SEVERAL BILLION DOLLARS IN THIS PROGRAM, A SIZEABLE STAKE IN TERMS OF TAIWAN'S ECONOMY. THE NUCLEAR POWER PLANTS AND THE LOW ENRICHED URANIUM TO FUEL THEM ARE ALL BEING SUPPLIED BY AMERICAN COMPANIES.

7. IN ADDITION TO ITS NUCLEAR POWER PROGRAM, THE ROC HAS BEEN CONDUCTING A MODEST PROGRAM IN NUCLEAR RESEARCH SINCE THE LATE 1950'S. THIS PROGRAM BEGAN AT TSINGHUA UNIVERSITY WHICH HAS A SMALL RESEARCH REACTOR SUPPLIED BY THE US. IN THE MID-1960'S, THE GOVERNMENT INTENSIFIED ITS RESEARCH PROGRAM AND ESTABLISHED A GOVERNMENT AGENCY, THE INSTITUTE FOR NUCLEAR ENERGY RESEARCH (INER), FOR THIS PURPOSE. INER HAS DEVELOPED PLANS FOR RESEARCH INTO ALL ASPECTS OF THE NUCLEAR FUEL CYCLE. INER HAS AN OPERATIONAL FUEL FABRICATION PLANT AND A CANADIAN-SUPPLIED 40-MEGAWATT RESEARCH REACTOR; THE INSTITUTE HAS BEEN CONSTRUCTING A SMALL REPROCESSING LABORATORY SINCE 1969, BUT THIS LABORATORY IS NOT YET OPERATIONAL.

8. US INVOLVEMENT IN TAIWAN'S NUCLEAR POWER AND RESEARCH PROGRAMS IS GOVERNED BY THE TERMS OF THE US-ROC AGREEMENT FOR COOPERATION IN THE CIVIL USES OF ATOMIC ENERGY. THIS AGREEMENT RESTRICTS OUR NUCLEAR COOPERATION TO PEACEFUL PURPOSES, PROVIDES FOR THE APPLICATION OF IAEA SAFEGUARDS AND GIVES THE US A VETO OVER THE REPROCESSING OF US-SUPPLIED FUEL. ALL US-SUPPLIED FACILITIES AND MATERIALS ARE UNDER IAEA SAFEGUARDS AND HAVE BEEN PERIODICALLY INSPECTED BY THE IAEA, MOST RECENTLY IN JULY OF THIS YEAR.

9. OVER THE YEARS, THE ADMINISTRATION HAS RESTRICTED

US COOPERATION TO THOSE AREAS WHERE WE BELIEVE THAT TAIWAN HAS LEGITIMATE RESEARCH AND TRAINING REQUIREMENTS AND WHICH DO NOT ENDANGER OUR NON-PROLIFERATION OBJECTIVES. DESPITE THE INTEREST OF ROC SCIENTISTS IN ALL ASPECTS OF THE NUCLEAR FUEL CYCLE, WE HAVE NOT EXTENDED SUCH COOPERATION TO REPROCESSING AND, IN FACT, HAVE MADE CLEAR OUR DETERMINED OPPOSITION TO SUCH ACTIVITIES. WE DO NOT BELIEVE THAT TAIWAN'S NUCLEAR POWER PROGRAM PROVIDES AN ECONOMIC JUSTIFICATION FOR A NATIONAL ENRICHMENT OR REPROCESSING PROGRAM. WE HAVE MADE CLEAR THAT ANY ATTEMPT BY THE ROC TO DEVELOP SUCH PROGRAMS WILL SERIOUSLY JEOPARDIZE OUR COOPERATION IN

THE PEACEFUL USES OF NUCLEAR ENERGY.

NON-PROLIFERATION ASPECTS

10. THE REPUBLIC OF CHINA HAS ENUNCIATED A CONSISTENT POLICY WITH RESPECT TO NUCLEAR WEAPONS AND NON-PROLIFERATION. THE MAIN ELEMENTS OF ITS POLICY ARE THAT:

--THE ROC HAS BEEN A PARTY TO THE NPT SINCE ITS INCEPTION AND WILL ABIDE BY ITS TREATY OBLIGATIONS.

--THE ROC HAS NO INTENTION TO DEVELOP NUCLEAR WEAPONS.

--ALL NUCLEAR FACILITIES IN THE ROC ARE FOR PEACEFUL PURPOSES.

--ALL NUCLEAR FACILITIES IN THE ROC ARE SUBJECT TO IAEA SAFEGUARDS. THE IAEA'S INSPECTIONS HAVE NOT REVEALED ANY IRREGULARITIES.

11. PREMIER CHIANG CHING-KUO PUBLICLY REITERATED THIS POLICY LAST WEEK FOLLOWING A MEETING OF HIS CABINET. IN DOING SO, THE PREMIER PUBLICLY STATED FOR THE FIRST TIME THAT THE ROC DOES NOT PLAN TO ACQUIRE A FACILITY FOR REPROCESSING SPENT NUCLEAR FUEL. WE WELCOME THIS COMMITMENT.

12. OVER THE PAST FEW YEARS, AMERICAN OFFICIALS HAVE MADE CLEAR TO THE ROC THIS ADMINISTRATION'S DETERMINED OPPOSITION TO ANY ACTIVITIES WHICH WOULD CAST DOUBT ON ITS COMMITMENT TO NON-PROLIFERATION. THIS POSITION WAS AGAIN CONVEYED TO THE ROC EARLY THIS MONTH AND RESULTED IN ASSURANCES TO US BY THE PREMIER SIMILAR TO HIS PUBLIC ONES OF LAST WEEK. THESE HAVE BEEN SUBSEQUENTLY CONFIRMED IN A NOTE TO US BY THE ROC STATING THAT "THE GOVERNMENT OF THE REPUBLIC OF CHINA HAS NO

INTENTION WHATSOEVER TO DEVELOP NUCLEAR WEAPONS OR A NUCLEAR EXPLOSIVE DEVICE, OR TO ENGAGE IN ANY ACTIVITIES RELATED TO REPROCESSING PURPOSES." WE ARE PLEASED WITH THIS FORTHCOMING ROC POSITION WHICH SHOULD

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ELIMINATE ANY AMBIGUITIES CONCERNING NUCLEAR ACTIVITIES ON TAIWAN. THIS DEVELOPMENT IS CONTINUING

EVIDENCE OF THE SERIOUSNESS WHICH WE ATTACH TO PREVENTING THE SPREAD OF SENSITIVE NUCLEAR FACILITIES. I CAN ASSURE YOU, MR. CHAIRMAN, THAT THE ROC IS FULLY AWARE:

--THAT THE US IS OPPOSED TO THE PROLIFERATION OF NUCLEAR WEAPONS AND NUCLEAR EXPLOSIVE DEVICES.

--THAT THE US IS OPPOSED TO THE SPREAD OF NATIONAL REPROCESSING FACILITIES, AND

--THAT ACTIONS BY THE ROC CONTRARY TO THESE POLICIES WOULD FUNDAMENTALLY JEOPARDIZE CONTINUED US COOPERATION WITH THE ROC IN THE PEACEFUL USE OF ATOMIC ENERGY AS WELL AS OTHER IMPORTANT RELATIONSHIPS.

13. I CAN ALSO ASSURE YOU, MR. CHAIRMAN, THAT THE ROC IS FULLY COGNIZANT OF SECTION 305 OF THE INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1976 WHICH DENIES ECONOMIC AND MILITARY ASSISTANCE TO COUNTRIES WHICH IMPORT UNSAFEGUARDED NATIONAL REPROCESSING FACILITIES.

14. OUR APPROACHES TO THE ROC ON NON-PROLIFERATION HAVE BEEN SUPPLEMENTED BY BILATERAL CONSULTATIONS WHICH WE HAVE UNDERTAKEN THIS YEAR AND PREVIOUSLY WITH THE GOVERNMENTS OF COUNTRIES WHICH ARE POTENTIAL SUPPLIERS OF NUCLEAR EQUIPMENT TO TAIWAN. THESE CONSULTATIONS HAVE BEEN DESIGNED TO ENSURE THAT THE POLICIES OF VARIOUS SUPPLIERS ARE COMPATIBLE. THE RESPONSES FROM OTHER GOVERNMENTS HAVE BEEN FAVORABLE.

CONCLUSION

15. THE REPUBLIC OF CHINA, IN COMMON WITH AN INCREASING NUMBER OF OTHER NON-NUCLEAR STATES, HAS THE ECONOMIC AND SCIENTIFIC BASE FROM WHICH TO DEVELOP NUCLEAR WEAPONS OR A NUCLEAR EXPLOSIVE DEVICE, SHOULD THEY CHOOSE TO DO SO, AND IF THEY WERE IN A POSITION TO

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PROCURE OR PRODUCE THE NECESSARY QUANTITIES OF WEAPONS GRADE FISSIONABLE MATERIALS. THEIR DECLARED NATIONAL POLICY IS NOT TO ACQUIRE NUCLEAR WEAPONS OR EXPLOSIVE

DEVICES, NOR TO DEVELOP THE TECHNOLOGY WHICH WOULD ENABLE THEM TO PRODUCE MATERIALS REQUIRED TO ACCOMPLISH THIS. I CANNOT OVER-ESTIMATE THE SERIOUSNESS WITH WHICH THE US GOVERNMENT WOULD VIEW ANY DEVIATION FROM THIS DECLARED POLICY BY THE ROC. I CAN ASSURE YOU THAT WE FOLLOW EVERY ASPECT OF TAIWAN'S NUCLEAR PROGRAM WITH THE UTMOST DILIGENCE. OUR CONTACTS WITH TAIWAN IN THE NUCLEAR FIELD HAVE EVOLVED OVER A PERIOD OF YEARS, AND THEY WILL CONTINUE TO DO SO IN THE FUTURE. OUR COOPERATION IN PEACEFUL USES HAS BEEN MUTUALLY BENEFICIAL. OUR NON-PROLIFERATION OBJECTIVES HAVE BEEN MAINTAINED, AND THEIR CONTINUED MAINTENANCE WILL BE AN ESSENTIAL ASPECT OF OUR RELATIONSHIP WITH THE ROC.

END TEXT HABIB

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